

***HARRON ENTERTAINMENT COMPANY, LLC
70 EAST LANCASTER AVENUE, FRAZER, PA 19355***

April 18, 2005

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

via electronic filing

Re: American Cable Association Petition for Rulemaking, RM-11203

Dear Ms. Dortch:

On behalf of Harron Entertainment Company (d/b/a MetroCast Cablevision and GMP Communications), I write to express our strongest support for ACA's petition for rulemaking on retransmission consent. We operate an independent cable company that serves customers in smaller rural areas, and I can verify that the petition accurately describes the upcoming retransmission consent crisis. Broadcasters, including those in our markets, have already made it clear that they will expect us to either pay cash for carriage, or add new networks in return for retransmission consent. Should such demands be met, this could significantly increase the cost of cable television service to our customers, with no corresponding increase in value to them. ACA's solution to this problem is pro-competition, pro-consumer, and deregulatory. It will benefit the consumers served by my company and will help keep down the costs of basic cable.

About our Company

Our company is family owned and began providing cable service in 1963 in Utica, New York. Today we operate thirteen headends serving a total of 105,000 customers in New Hampshire, Maine, Pennsylvania, Maryland and Virginia. Our largest system is 34,000 customers and our smallest system is 150.

We have invested in upgrading all of our larger systems to 860 MHz and have launched Digital Cable, High Speed Internet Service and High Definition Services in most of our systems. DBS competition has been an extremely strong competitor in all of our markets, taking subscribers and making it difficult to increase rates. At the same time, programming costs have increased far ahead of inflation. In an effort to keep rate increases as low as possible we have absorbed much of this additional expense and have had to look to ancillary revenue streams to make up the shortfall the impact of these increases has had on our business.

The broadcasters' demands for cash for carriage, or the continued addition of owned and affiliated programming networks, presents a major problem. For example, Broadcasters have already approached our Company with demands of \$1.76 per year in the form of an ad sales buy to secure carriage for one station. Additionally, our company has been asked (by another broadcaster) to carry two affiliated programming services in return for retransmission consent. Such carriage would translate to significant (permanent) additional expense for our customers for programming they have not asked for and may have no interest in. More importantly, forced carriage of programming networks on our analog bandwidth seriously impedes our ability to offer choice to customers and retain sufficient bandwidth to offer other new service applications. Because our margins are already stretched thin, we have no choice but to pass this additional cost onto our customers. They will be angry. Some will drop our service and move to a competitor. Those that do not will have to pay more for basic cable service and will place the blame on us (the cable operator), not on the broadcaster or programmer.

Why we support ACA's Petition

Basically, all that ACA asks for is a right for us to shop and only when a broadcaster demands a price for retransmission consent. In my markets, I know this will work to lower the cost of retransmission consent for my customers.

First, I know that I could obtain network programming at a lower cost from other broadcasters. I can do this by receiving signals from neighboring markets.

Second, if the broadcasters in my market know alternatives exist, I am confident I will be able to negotiate a lower price. That works in every type of transaction, and it will work in retransmission consent.

As stated in the petition, the problem is not that broadcasters demand a "price" for retransmission consent. The problem is that they block our ability to find lower-cost alternatives. The petition shows how this problem will easily cost consumers and smaller cable operators upwards of \$1 billion next year.

By making the limited changes requested by ACA, the Commission will bring some market discipline to retransmission consent "pricing." This will help to keep our costs down and will benefit our consumers.

An example of why this is so important can be found in our New Hampshire market where we carry 18 local broadcast channels (plus New England Cable News, CSPAN and PEG channels on our broadcast basic level of service). We carry three ABC affiliates that are all owned by the same broadcast company. As you can appreciate, this will give us little leverage in

negotiating an agreement unless we have the right to go outside of our markets in the event a fair and equitable arrangement cannot be negotiated. If Harron was required to accommodate the remaining 15 broadcasters it carries in the same manner as those owned and operated by major broadcasters, one can easily see why it is critical that a more level playing field has to be created.

Our concern for localism

As a final point, we want the Commission to know that we support local broadcasting and prefer to carry all of our local broadcasters. We have voluntarily made additional digital bandwidth available to all broadcasters that have sought carriage for their HD programming, which, of course, is offered to our customers at no additional charge. We understand the importance of local programming, but we also understand how much our customers are willing to pay for it.

We also fully support a fair exchange of value for carriage of local signals. But when broadcasters demand a “price,” we need the ability to “shop” to get a “price” that fairly reflects the value of the signal. Please act on ACA’s Petition as soon as you can.

Sincerely,

Linda C. Stuchell

Programming, Harron Entertainment